

**Summary of State Regimes Taxing Marijuana/Cannabis**

State	Placement in statute	Excise tax	Sales tax	Licensing fees	Fund allocation	Exemptions & Deductions
<i>Current state regimes taxing cannabis</i>						
<b>Colorado</b>	Professions & Occupations – Health Care (12 C.R.S.A., ArtS. 43.3, 43.4)	<p><b>15% Retail Marijuana Excise Tax</b> (C.R.S.A. § 39-28.8-302)</p> <p><u>Fund Allocation</u></p> <ul style="list-style-type: none"> <li>Public School Capital Construction Assistance Fund (C.R.S.A. §§ 39-28.8-302; 39-28.8-305)                             <ul style="list-style-type: none"> <li>first \$40 million collected annually</li> <li>the rest to public school fund</li> </ul> </li> </ul>	<p><b>10% Retail Marijuana Sales Tax</b> (C.R.S.A. § 39-28.8-202)</p> <ul style="list-style-type: none"> <li>Can be reduced by ballot vote (C.R.S.A. § 39-28.8-202)</li> </ul> <p><u>Fund Allocation</u></p> <ul style="list-style-type: none"> <li>15% local governments (C.R.S.A. § 39-28.8-203(a)(I))</li> <li>85% to marijuana tax cash fund (C.R.S.A. § 39-28.8-203(b)(I))</li> </ul> <p><b>2.9% Sales Tax</b> (C.R.S.A. § 39-26-106(1)(II))</p> <p><u>Fund Allocation</u></p> <ul style="list-style-type: none"> <li>to marijuana tax cash fund</li> </ul>	<p><b>Types of licenses</b> (C.R.S.A. §§ 12-43.3-401, 12-43.4-401)</p> <ul style="list-style-type: none"> <li>Cultivation</li> <li>Manufacturing</li> <li>Research/Testing</li> <li>Related occupations</li> <li>Dispensaries (medical marijuana only, C.R.S.A. § 12-43.3-401)</li> <li>Retailers (retail marijuana only, C.R.S.A. § 12-43.4-401)</li> </ul> <p><b>Fees</b></p> <p>Both state and local fees (C.R.S.A. §§ 12-43.4-501; 12-43.3-301)</p> <p>Application fees (C.R.S.A. § 12-43.4-501)</p> <ul style="list-style-type: none"> <li>Medical \$500</li> <li>Retail \$5,000</li> </ul> <p>Annual renewal fees (C.R.S.A. § 12-43.4-310)</p>	<p><i>See individual taxes</i></p> <p><b>Marijuana Tax Cash Fund</b> (C.R.S.A. § 39-28.8-501)</p> <ul style="list-style-type: none"> <li>General Assembly annually appropriates money for any purpose, BUT prioritizes certain public health and safety uses. (C.R.S.A. § 39-28.8-501(b)(I), (b)(III), (b)(III))</li> </ul>	<p><b>Exemption</b></p> <p>No sales or excise tax on medical marijuana or medical marijuana centers. (C.R.S.A. §§ 39-28.8-202(2); 39-28.8-302(2))</p> <p><b>Deduction</b></p> <p>Repealed conformity to 26 U.S.C. § 280E. (C.R.S.A. § 39-22-304(2)(m), (n))</p>
<b>Washington State</b>	Food, Drugs, Cosmetics, and Poisons – Controlled Substances (69 R.C.W.A., ch. 69.50); Excise taxes (82 R.C.W.A., ch. 82.12)	<p><b>37% Marijuana Excise Tax</b> (R.C.W.A. 69-50-535(1)(a))</p> <ul style="list-style-type: none"> <li>Levied on selling price of retail sales</li> <li>Separate &amp; in addition to general state &amp; local sales &amp; use taxes</li> <li>Tax must be separately itemized from state &amp; local retail sales tax on receipt provided to buyer</li> <li>Retail sale of bundled transaction including marijuana products is subject to marijuana excise tax (R.C.W.A. 69.50.570)</li> </ul>	<p>General state and local sales and use taxes that apply to sales of tangible personal property also apply to retail sales of marijuana. (R.C.W.A. 69-50-535(1)(a), 82.08.020)</p> <p>Marijuana excise tax is not part of the total retail price to which these general sales &amp; use taxes apply (Id.)</p>	<p><b>Types of licenses</b> (R.C.W.A. 69.50.325)</p> <ul style="list-style-type: none"> <li>Production</li> <li>Processor</li> <li>Retail (R.C.W.A. 69.50.372)</li> <li>Research</li> </ul> <p><b>Fees</b></p> <p>Liquor Control Commission Temporary Rules on Recreational Marijuana, sec. 845-025-1060</p>	<p><b>Dedicated Marijuana Account</b></p> <p><i>Annual appropriations to:</i> (R.C.W.A. 69.50.530; 69.50.540)</p> <ul style="list-style-type: none"> <li>Dept. of Social &amp; Health Services</li> <li>University of Washington, Washington State University</li> <li>Liquor &amp; Cannabis Board</li> <li>Local distributions</li> <li>General fund</li> </ul>	<p><b>Exemption</b></p> <p>(not from excise tax)</p> <ul style="list-style-type: none"> <li>Marijuana for medical use (R.C.W.A. 82.12.9998 (from use tax), R.C.W.A. 82.08.9998 (from retail sales tax))</li> </ul> <p><b>Deduction</b></p> <p>WA does not levy income tax. (<a href="http://dor.wa.gov/content/FindTaxesAndRates/IncomeTax/">http://dor.wa.gov/content/FindTaxesAndRates/IncomeTax/</a>)</p> <p>HOWEVER, WA has helped reduce the fed. tax burden on businesses by requiring excise tax to be clearly noted on receipts as local tax, &amp; thus not subject to fed. taxation.</p>

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<i>New regimes</i>						
<b>Alaska</b>	Food and Drugs (17 AK ST ch. 38); Revenue and Taxation (43 AK ST ch. 61)	<b>Excise tax on marijuana</b> \$50 per ounce on sales or transfer from cultivation facility to a retail store or manufacturing facility (A.S.A. § 43.61.010)	No statewide sales tax, although local jurisdictions do have taxation power. (A.S. § 29.45.650; AK ST § 29.45.700)	<b>Types of licenses</b> (3 AAC 306.005) • Cultivation • Manufacturing • Retail • Testing <b>Fees</b> Marijuana Control Board (A.S. § 17.38.080) Schedule of annual licensing fees (also application & renewal fees) (3 AAC 306.100) • Retail \$5,000 • Limited cultivation \$5,000 • Manufacturing \$1,000-5,000 • Testing	None specified	<b>Exemption</b> None specified  <b>Deduction</b> AS does not impose income tax. ( <a href="http://www.tax.alaska.gov/programs/programs/index.aspx?10001">http://www.tax.alaska.gov/programs/programs/index.aspx?10001</a> )
<b>Oregon</b>	Undesignated at end of 2015	None	<b>17% Retail sales tax on marijuana</b> (H.B. 2041, 2015, sec. 2) • Customer pays at point of sale  <b>Up to 3% Local Option Tax</b> (House Bill 3400, sec. 34a) • General rules is taxation authority vests solely in Legislative Assembly. • But a city may impose a tax or fee in its jurisdiction, if it gets legislative approval.  <b>25% Retail tax by dispensaries after Jan. 1, 2016</b> • Tax-free sales by medical dispensaries from Oct. 1, 2015-Jan. 1, 2016 S.B. 460)	<b>Types of licenses</b> (Measure 91, secs. 18-22) • Production • Processor • Wholesale • Retail  <b>Fees</b> Liquor Control Commission Temporary Rules on Recreational Marijuana (845-025-1060)	<b>Oregon Marijuana Account</b> (H.B. 2041, 2015, sec. 14, Measure 91, secs. 43, 44) • 40% Common School Fund • 20 % Mental Health Alcoholism & Drug Services • 15 % State Police • 20 % Cities & Counties • 5 % Oregon Health Authority	<b>Exemptions</b> • Homegrown plants and marijuana or marijuana products or liquid for noncommercial purposes (Measure 91, sec. 6(1)(a)-(f)) • Medical uses (Measure 91, sec. 6(2)(a))  <b>Deduction</b> OR has eliminated conformity to 26 U.S.C. § 280E. (Measure 91, secs. 71, 74, amending ORS 316.680(1)(i)) OR, like WA, requires amount of tax to be separately stated on invoices. (H.B. 2041, 2015, sec. 2(4))
<b>Washington, D.C.</b>	Growing, possessing, gifting and using (but neither selling nor buying) small amounts of marijuana are now legal in D.C. after ballot vote, but the city has been blocked from taxing or regulating marijuana sales by Congressional action via the budget bill. (Washington D.C. Marijuana Legalization, Initiative 71 (November 2014); Consolidated and Further Continuing Appropriations Act, 2015, Pub. L. No. 113-235, 128 Stat. 2394, sec. 809.)					